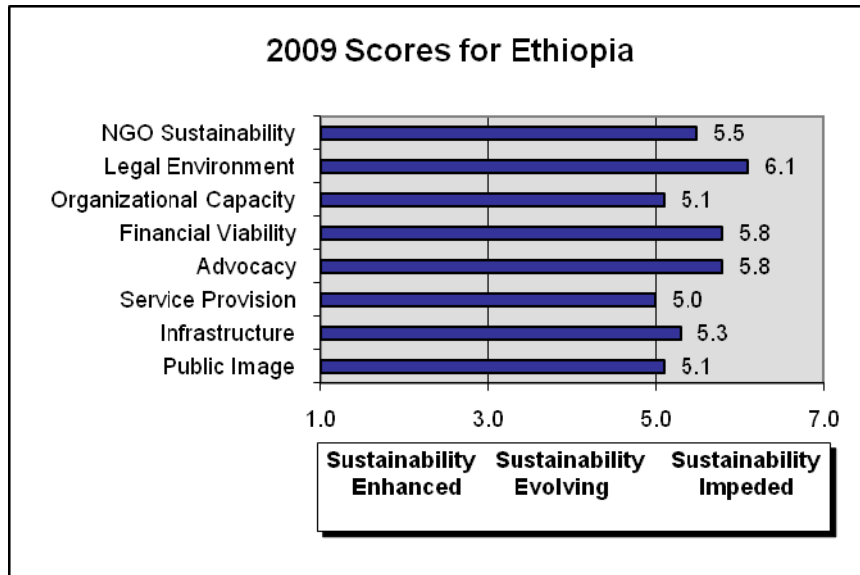


ETHIOPIA



Capital: Addis Ababa

Polity:
Republic

Population:
88,013,491 (July 2010 est.)

GDP per capita (PPP):
\$900 (2009 est.)

NGO SUSTAINABILITY: 5.5

NGOs, both national and international, began to appear in Ethiopia in 1960 following the growing demands of the population for the fulfilment of various societal needs.² Most NGOs trace their roots in Ethiopia to the catastrophic famines in 1974 and 1984. NGOs during the Derg regime of Mengistu Haile Mariam focused on relief operations and were largely foreign entities. Domestic NGOs in Ethiopia remain underdeveloped and somewhat misunderstood by the government, and the sector has been struggling for operating space and enhanced institutional capacity. After 1991, NGOs made remarkable progress in their number and diversity as well as in addressing the country's complex development agenda.

Article 31 of the constitution guarantees freedom of association to everyone for any cause or purpose. The current government, however, is not necessarily any more supportive of the role and responsibilities of NGOs than its predecessors. The government at best tolerates NGOs as gap-fillers and not as development partners. The government does not really see NGOs, especially international NGOs, as needed in the country and NGOs are at risk of being replaced with local, party-controlled organizations, which would be friendly and nonthreatening.³



Until recently there was no special subsidiary legislation enacted to deal with the administration of NGOs in Ethiopia. Outdated laws proclaimed during Emperor Haile Selassie's regime, as well as subsequent administrative directives, regulated the sector.⁴ Before the adoption of the new Charities and Societies Proclamation in 2009, the nonprofit sector in Ethiopia was broadly divided into four categories: development organizations, advocacy organizations, professional associations and religious organizations.

Most NGOs were registered as development/service delivery and religious organizations. The number of NGOs working on policy and human rights advocacy has remained very small.

At the end of 2009, there were about 3,800 NGOs registered by the Ministry of Justice, although this number decreased to 1,850 in February 2010 after the re-registration process was instituted according to the new Charities and Societies Proclamation.

LEGAL ENVIRONMENT: 6.1

The need for an updated law outlining NGOs' rights and responsibilities and a more streamlined regulatory framework in which they can operate has long been one of the critical issues for the development of NGOs in Ethiopia. Since 2000 the government has made sporadic attempts, sometimes together and in consultation with NGOs, to enact a special NGO law. In 1995 the Ministry of Justice issued a Guideline for NGO Operations, which outlines the major classifications for the sector (development, advocacy, professional associations, and religious organizations), defines areas for programmatic activities, and sets requirements for registration of national and international NGOs. Because of the outdated and narrow nature of the previous legislative framework, NGOs were mostly governed by administrative practices and directives which usually contradicted provisions of the constitution, the Civil Code and international treaties the country has ratified.

Pushed by these and other political factors, the government adopted the infamous Charities and Societies Proclamation in early 2009. This law strongly affects the operation of NGOs, particularly those working on rights issues. To begin with its positive aspects, the law has established a special agency for the administration of NGOs, and recognizes establishment of consortia and engagement in income generating activities, areas where NGOs previously experienced difficulties. NGOs are not required to pay tax on grants they receive, but just like business organizations they are liable to pay tax on revenue from economic activities.

Nevertheless, the new legislation contains provisions which negatively affect freedom of association and the operation of NGOs. Contrary to Article 31 of the constitution, the proclamation recognizes freedom of association not as a human right but as a democratic right, guaranteed only for Ethiopian citizens. According to the law, local and international NGOs which receive more than 10 percent of their funding from abroad may not work on advancement of human rights, promotion of gender equality, the rights of children and disabled persons, conflict resolution or the efficiency of the justice sector. These organizations also do not have the right to judicial recourse or appeal against any administrative decisions, including a decision to dissolve the NGO. The law accords unwarranted and subjective powers to the administrative bodies, which can affect the independence and operation of NGOs.

Starting in September 2009, the government began implementing the new law and finalized the re-registration process. During this process, major concerns have arisen; in particular, active rights advocacy organizations were subjected to severe scrutiny and prolonged bureaucratic requirements. The number of NGOs registered as rights advocacy NGOs dropped significantly, as most of these NGOs opted to be registered as service delivery NGOs so that they can access foreign funding. By their very nature, CBOs are regionally based and are governed by regional states' laws, and thus they are out of the scope of the new NGO law.

ORGANIZATIONAL CAPACITY: 5.1

Limited access to resources, including funds and physical assets as well as competent staff, is a major constraint on Ethiopian NGOs. NGOs cannot rely on local philanthropy and instead are heavily dependent

on foreign donors for financial and other assistance. For this reason, most NGOs in Ethiopia work on a short-term project basis rather than according to long-term strategies.

The regulatory body requires all NGOs' bylaws (constitutions) to have objectives, but due to funding constraints and competition, organizations sometimes have difficulties adhering to their stated objectives. It is mandatory for NGO bylaws to specify a formal management structure with division of responsibilities. The bylaw has to provide for the powers and responsibilities of the general assembly, executive committee (board of directors) and auditor. Real and practical power, however, usually lies in the hands of the executive director, who is generally the mastermind of the organization. General assemblies and board members in most cases lack commitment and are merely symbolic. Most NGOs depend on the personality of the executive director and lack internal democracy in the administration of their staff.

Constituency building has remained one of the major challenges for Ethiopian NGOs. Apart from requesting individuals to be members of general assemblies and boards of directors—mandatory requirements for establishing NGOs—the sector generally lacks strategies on how to build constituencies. Only a few organizations make use of volunteers from abroad, and domestic volunteerism is minimal. NGOs lack clearly defined strategies on how to mobilize and use volunteers.

New NGOs have difficulties obtaining capital resources for their technical advancement. Most donors are not interested in extending support for capital goods such as computers, cars, and furniture.

FINANCIAL VIABILITY: 5.8

All local NGOs are heavily dependent on foreign aid for the implementation of their program activities because of various reasons, including the poor economy and the weakness of NGOs in local resource mobilization, constituency building and diversification of their resource bases. Few organizations are engaged in local fundraising activities or public collections. Significant numbers of NGOs lack sound and transparent financial management systems. Almost all CBOs, except Idir—one of the traditional associations which can be considered as a community-based organization—lack a strong financial base due to the limited capacity of their members or the community to make financial contributions.

The new Charities and Societies Proclamation severely affects the capacity of rights advocacy NGOs to access foreign aid. The law requires these organizations not to have foreign resources make up more than 10 percent of their total budgets. The law defines a foreign resource as “a donation or delivery or transfer made from foreign source of any article, currency or security. Foreign sources include the government agency or company of any foreign country; international agency or any person in a foreign country.” The law considers even the financial support of Ethiopians who are living outside the country as a foreign source. NGOs which are established as Ethiopian Residents or Foreign Charities have full access to foreign sources. Since humanitarian organizations are usually established either as Ethiopian Residents or Foreign Charities, they may not be affected by the financial restrictions.

NGOs are required to submit to the regulatory body annual activity and financial reports, or otherwise face administrative measures. Nevertheless, they have problems in making these reports accessible to the public and target beneficiaries. Most local NGOs work on a project and short-term basis because of a lack of core program support. A few donors have an initiative to form a consortium and coordinate their support towards a few selected organizations.

The new Charities and Societies Proclamation provides for the rights of NGOs to engage in income-generating activities, but at the same time it provides no special treatment for NGOs and stipulates unreasonable preconditions, such as the need to obtain permission from the NGO agency and a

requirement that the work be incidental to the achievement of the NGO's purposes. The law also fails to provide special treatment for NGOs in areas of licensing, registration and taxation of economic activities.

ADVOCACY: 5.8

The number of advocacy organizations is small compared to the number of service-providing and development organizations. Advocacy is a recent development in the history of Ethiopian NGOs. In addition to their small number, the majority of existing advocacy NGOs have little or no experience in the area, and are vulnerable to government scrutiny. Because of the nature of their work, their relationship with the government is based on suspicion and mistrust. The government perceives human rights organizations and watchdogs as conduits for civil and political discontent that focus on the government's faults. This situation became worse after the 2005 national election when advocacy organizations took an active role in voter education and election monitoring.

The new Charities and Societies Proclamation severely restricts the activities of rights advocacy organizations in various ways, such as denying them access to foreign funds and defining their activities as political activities, which are permitted only for citizens who can mobilize money from local sources. The law does not restrict all forms of advocacy; the stated restriction is only on organizations which are working on the advancement of human and democratic rights, gender equality, the rights of children and the disabled, the promotion of conflict resolution and reconciliation, and the promotion of the efficiency of the justice sector.

It is difficult to measure the influence of rights and policy advocacy NGOs on public policy and the democratic process. Nevertheless, there is some concrete evidence of the achievements of NGOs in the spheres of rights and policy advocacy. In some cases government institutions invite advocacy NGOs to take part in policy discussions. Advocacy NGOs in the past played a crucial role in the revision of the Family Law and Criminal Code, and in reforming the administration of the juvenile justice system and improving child protection. The contribution of NGOs to the preparation of the five-year Poverty Reduction Strategic Plan (PRSP) and Plan for Accelerated and Sustained Development to End Poverty (PASDEP) was also decisive.

SERVICE PROVISION: 5.0

Although to a lesser degree than with rights advocacy organizations, the government used to consider service-providing NGOs as a loose and unregulated power center that steered valuable resources into activities either contradictory or irrelevant to the government's long-term development strategies. Further, the government saw a number of NGO activities as fostering dependence, although this perception has improved over time.

The NGO community was dominated by relief-type activities until the late 1990s. It is a recent development for NGOs to focus on long-term development activities such as education, health, food security, credit and saving, environmental protection, and child welfare.

INFRASTRUCTURE: 5.3

There are neither intermediary support organizations (ISOs) nor NGO resource centers established at the national or local levels. One of the major challenges for Ethiopian NGOs is the scarcity of local resources to address locally identified needs and projects. Most donors are not interested in supporting infrastructure needs of local NGOs such as training, exposure to national and international experiences, technical assistance, equipment, or construction or purchase of buildings.

Organizations like Pact Ethiopia and Christian Relief Development Association (CRDA) have played an important role in building the capacity of their partners and member NGOs through training and technical assistance. Various consultancy firms provide trainings on NGO management, strategic planning, accounting, and financial management.

As the NGO sector grows in size and strength, the need to work together and advance a common agenda has been expanding. Although there is no national umbrella organization for NGOs in Ethiopia, a significant number of NGO networks, alliances, forums and coalitions are established formally and informally. The majority of these networks are established based on thematic issues such as poverty, gender, environment, health, HIV/AIDS, and religion. Although previously there was no restriction in the law preventing the establishment of networks, officials in the Ministry of Justice used to reject the establishment of such organizations. The new Charities and Societies Proclamation, however, recognizes the rights of organizations to establish consortia.

PUBLIC IMAGE: 5.1

The lack of adequate media to inform the public of NGOs' activities remains one of the sector's challenges. In Ethiopia there are two media groups: the private and government media. Government priorities highly influence the latter, while lack of experience, professional staff and budget characterize the former. At times the government media engage in attacking and antagonizing NGOs. On the other hand, the private media is much more concerned with current politics and sensational issues. The government and the ruling party own the electronic media, which have national coverage. This makes it virtually impossible for NGOs to reach the poor and illiterate, who do not have the ability to read and cannot afford to buy newspapers.

The NGO sector has not made a concerted effort to use the media for the purposes of promoting the role of NGOs and educating and mobilizing the public. Few organizations have the culture of publishing their annual reports. Consequently, the public has little or no knowledge about the role of the NGO sector as a whole, although they may appreciate the work of an individual NGO that is working in their community. Compared to other NGOs, relief organizations are better known by the communities they are working with, and the public has a positive perception of these organizations.

Except for a handful of businessmen, the private sector has not yet extended its support to the activities of NGOs. Through the Chamber of Commerce, the private sector is also competing with NGOs for funds to advance the interests of the business community and engage on other social issues.

A group of NGOs adopted a code of conduct in March 1999. More than ten years after its adoption, the majority of Ethiopian NGOs know little about its existence. Apart from members of CRDA, an umbrella organization which is supporting and hosting the secretariat of the code observance committee, the majority of Ethiopian NGOs are not signatories to this code, and the sector has not made an effort to revitalize the self-regulation system.